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LONE STAR INDUSTRIES, INC.

Cement & Construction Materials Group

Seattle Cement Plant
3801 E. Marginal Way South
Seattle, Wash. 98134

January 30, 1984

Mr. Bruce E. Pallante
Monsanto Industrial Chemical Company
9229 E. Marginal Way South
Seattle, Washington 98108

Dear Bruce:

As we discussed recently, at present we can use approximately 1,000 tons of VBLS per year with no mix alterations. This figure could be as high as 5,000 tons per year if we modify our raw materials substantially in favor of the higher-cost, low alkali silica.

As an incentive for us to reach these higher levels, I propose a two-tier pricing system based on monthly usage. The first 85 tons per month would remain at the regular price. All tons above this floor, during the month, would be at \$62.00 per ton.

I believe that, with this system, we would have a genuine incentive to increase our usage to our mutual benefit. I would also suggest a quarterly meeting to review the current pricing conditions.

This would, of course, in no way abrogate our obligations vis-a-vis the tank installation payback.

Please advise at your earliest convenience.

Very truly yours,

R. J. Rajki
Assistant Plant Manager
Production & Quality Control

RJR/mme

cc: S. H. Cook
K. J. Rone



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